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**IMPLEMENTATION OF THE NPT SAFEGUARDS AGREEMENT
BETWEEN THE AGENCY AND
THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA**

Report by the Director General to the General Conference

1. In resolution GC(45)/RES/16 of 21 September 2001, the General Conference decided to include in the agenda for its forty-sixth regular session an item entitled:

“Implementation of the NPT safeguards agreement between the Agency and the Democratic People’s Republic of Korea.”

This report is to provide information to the General Conference in its consideration of this agenda item.

2. Since 1993, the Agency has been unable to implement its NPT comprehensive safeguards agreement with the Democratic People’s Republic of Korea (DPRK) fully, because it has been unable to verify the correctness and completeness of the DPRK’s initial declaration of nuclear material subject to safeguards. Since November 1994, however, the Agency has been monitoring the “freeze” of the DPRK’s graphite moderated reactor and related facilities as foreseen in the “Agreed Framework” between the DPRK and the United States of America.

3. The Director General’s report to last year’s General Conference (GC(45)/26) noted, inter alia, that the DPRK had continued to refuse to allow the Agency to carry out verification activities required by the safeguards agreement. The Director General also reported that, in May 2001, the Agency had presented a detailed proposal for the verification of the correctness and completeness of the DPRK’s initial declaration with respect to the Isotope Production Laboratory (IPL) and for the verification of plutonium in spent fuel stored in canisters at the 5 MW(e) reactor facility. These would constitute the first concrete steps needed for the verification of the correctness and completeness of the DPRK’s initial declaration.

4. Having taken note of the Director General’s report, the General Conference adopted resolution GC(45)/RES/16. This resolution, inter alia, noted with continuing concern that although the DPRK is a party to the NPT, the Agency continued to be unable to verify the

correctness and completeness of the initial declaration made by the DPRK of nuclear material and that, therefore, the Agency was unable to conclude that there had been no diversion of nuclear material in the DPRK. It also urged the DPRK to come into full compliance with its safeguards agreement, including taking all steps that the Agency deemed necessary to preserve all information relevant to verifying the correctness and completeness of the DPRK's initial declaration.

DEVELOPMENTS SINCE THE FORTY-FIFTH REGULAR SESSION OF THE GENERAL CONFERENCE

5. Some interaction between the Agency and the DPRK has taken place since the General Conference in September 2001. A technical meeting was held in Vienna from 5 to 7 November 2001. Agency staff visited some supporting technical buildings of the 5 MW(e) reactor facility in November 2001 and the IPL in January 2002 and undertook two technical visits to the Nyongbyong site, in January and May 2002. From 4 to 8 March 2002, three DPRK officials observed an IAEA calibration of a plutonium canister counter in the United Kingdom – equipment that would be used for the verification of the spent fuel at the 5 MW(e) reactor facility. However, no tangible progress has been made on important issues that have been outstanding since the Agency began to implement the “freeze” in November 1994. The Agency remains unable to verify the correctness and completeness of the DPRK's initial declaration. The DPRK continues to disagree with the Agency's view that verification activities should start without further delay, citing delay in the implementation of the “Agreed Framework” as the reason for its refusal.

6. The Korean Peninsula Energy Development Organization (KEDO) informed the Agency on 29 April 2002 that it had provided the DPRK with a construction schedule for the light water reactor project, according to which the delivery of the key nuclear components for the first reactor would occur by 2005. As stated by the Director General on a number of occasions since 1999, the Agency has estimated that the work required to verify the correctness and completeness of the DPRK's initial declaration may take about three to four years, assuming full co-operation by the DPRK. As well as being a basic obligation under its safeguards agreement, this verification is also a prerequisite under the “Agreed Framework” for the delivery of key nuclear components. Further delays to the start of the IAEA's verification activities in the DPRK – activities other than the monitoring of the “freeze” – might lead to a substantial delay in the KEDO light water reactor project.

7. Since the General Conference in September 2001, the Agency has maintained its continuous inspector presence in the DPRK to monitor the “freeze”. In accordance with the “Agreed Framework”, the DPRK carried out maintenance activities at the 5 MW(e) reactor and the Radiochemical Laboratory, facilities subject to the “freeze”. These maintenance activities, from May to July 2002, were monitored by Agency inspectors.

8. The Agency remains ready to start at short notice its verification of the DPRK's initial declaration, in fulfilment of its responsibilities under the safeguards agreement with the DPRK. Until that time, the Agency remains unable to verify that the DPRK is in compliance with its NPT safeguards agreement.